BUSINESS RESOURCE CENTRE

Starting a Retail Clothing Store

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INTRODUCTION

According to Statistics Canada preliminary estimates indicate that retail sales declined 1.0% in April to $16.3 billion, following a 0.3% increase in March 1990. Excluding recreational and motor vehicle dealers, retail sales increased a modest 0.3¢ in April.

In the first four months of 1990, retail sales have fluctuated markedly while registering marginal overall growth, as declines in April and February virtually offset gains in March and January.

However, it can't be assumed that there are no risks associated with running a retail clothing operation. In retailing, it is estimated that approximately 80% of all new endeavours fail within the first five years of operation. Most common causes of failure in retail clothing operations are poor management techniques, improper assessment of fashion trends, and tough competition (especially from discount and department stores).

Most prospective clothing store owners begin their careers working for someone else in a retail environment. This enables a person to acquire experience, develop selling and buying expertise, and learn from others, all while earning a salary. Business and merchandising courses are also often taken at this point in a potential retail clothing store owner's career, in order to develop a strong basic understanding of business fundamentals.

The ability to develop a personal relationship with one's customers is fundamental in establishing a successful retail clothing store operation. To this end, a warm outward-going personality will definitely be an asset to the retail clothing store owner. Meeting new people constantly should be viewed as a pleasureable experience, not merely seen as a daily task. Also, due to the volatile nature of the fashion industry, the owner's personality must be sufficiently flexible to meet the constant changes demanded.

LEGAL CONSIDERATIONS

In starting a retail clothing store, thought must be given to the business structure your operation will assume. The more common alternatives include sole proprietorship, partnership and incorporation. Each of these business structures has its own distinct advantages and disadvantages. Factors such as the ease and cost of organization, financing, management risk, limitations of liability, and tax considerations, would all influence your decision regarding the business structure most suited to your own needs.

As a retailer, you will be required to register your business name. As well, you must obtain a provincial sales tax number, an employer number and register your business with the Workers' Compensation Board. Compliance with all tax and employer regulations is, of course, also essential. The Business Resource Centre has produced a handbook, "Starting a Small Business in Manitoba", which summarizes many of your responsibilities in areas such as licensing, permits, taxes, etc.

It is also essential that you determine your insurance needs prior to starting your business venture. The main types of insurance to consider are:

> General Insurance - most often this type of coverage includes insurance on the assets of the business, liability insurance on premises and vehicles, fire insurance, crime and vandalism and business interruption insurance.
>
> Life Insurance - usually this coverage is placed on the lives of the owners (often partners will purchase life insurance on each other's life in order to insure the continued survival of business).
>
> Workers' Compensation - this is required by Manitoba law for reimbursing employees injured on the job for any loss of wages suffered as a result of an injury.

Information and advice on establishing a business can be obtained by contacting the Business Resource Centre, 6th Floor - 155 Carlton Street, Winnipeg, Manitoba, R3C 3H8.

LOCATION

Site Analysis

One of the most important decisions which has to be made is where to locate your store. In developing a strategy for choosing a location, three main factors should be considered:

Prospective Customers

In many situations, your market may dictate your location. For example, if you are going to establish a children's clothing store, it would be wise to locate in areas where children make up a significant portion of the total population. Groups such as the Chambers of Commerce are often good sources of information regarding the population mix in specific areas.

Competition

In considering competition, remember that too many similar stores can over-saturate a market area and result in excessive price cutting and a deterioration of profit for all. This consideration is especially important when setting up in a shopping centre. Also, if your product offering is similar to your competition the consumer may be confused, making it difficult to establish any definite customer loyalty. Therefore, when locating near competition, it is especially desirable to create a special and distinct image for your own operation. You may wish to consult with an interior designer to help you create the concept you are looking for in terms of store theme, design and layout.

Visibility/Accessibility

Since many purchasing decisions are made on a spur of the moment basis, the visibility and accessibility factors are very important. Your location should be accessible from several areas, with adequate public transportation and parking facilities to meet your customer needs. Your store should be clearly visible from as many vantage points as possible; not hidden or obscured from view.

A shopping centre, with its high traffic flows, is generally considered a prime location for a retail clothing store in spite of the high rental costs associated with the location. Nearness to potential markets also may be very important in deciding upon a location for your store. For example, business clothes could often more easily be sold in office buildings, sporting clothes near or at recreational centres, and hospital attire near or at hospitals. In choosing an appropriate location for your clothing

store, thorough research is strongly recommended. Sources such as Statistics Canada, banks, Chambers of Commerce, and trade associations can provide you with a wealth of information on the prospective location and its surrounding community. Traffic flows also should be analyzed prior to making any decisions on the location of your business. Flow studies over a number of days are needed in order to eliminate any extraneous variables, and provide a clear and concise picture of the traffic patterns in the area.

If you are considering the purchase of an existing operation, it is suggested that a study be made of the site's history. Interviews with former tenants can provide information about the area which might otherwise not be available. Since any problems which have ever risen in the past can potentially work against present and future success, the more you are able to learn of the site's history, the better. Government or community plans for the area should also be looked into. For example, it would be quite unwise to locate your clothing store in an area which is to be zoned an industrial area in two year's time.

LEASING

Having decided on a location, and assuming that you won't be constructing or purchasing your own building to house your business, drawing up a lease of occupancy for your store is the next step. The lease agreement should clearly specify all of the liabilities and duties which are assumed by both respective parties, the lessor and the lessee. Once the lease has been drawn up, you should have it reviewed by your lawyer to insure that your interests are protected and that all relevant aspects of occupancy have been covered. The costs of putting the space in shape to suit your needs will require careful estimating and this is an area where many a new venture fails to consider the real costs of fixing a place up. Things like painting, paving, plumbing, landscaping, partitioning, wiring, etc. can add up to substantial amounts. One clause that should be included in virtually all lease agreements is one which permits you, the tenant, to sublet the premises in case of business failure or business relocation. Most lease payments are made in one of two ways. The first is where payments are made in a set monthly amount or, as it is known in the trade, a flat rental fee.

The second way is to pay a percentage of the total annual gross sales. All aspects of these two types of lease payments should be explored relative to your own particular lease situation.

Since rent is a major cost in owning and running a business, periodic evaluations of space usage should be made to insure that it is used efficiently. One means of evaluating space usage involves an analysis of sales per square foot ratio. This ratio compares the actual floor space used for retail selling, with the annual gross sales generated. For a retail clothing store operation, trade averages and experience seem to suggest that a satisfactory ratio should lie in the range of $90 to $180 per square foot. However, due to the great diversions of size of store and types of merchandise carried, any ratio computed may only be used as a rough guideline in testing efficiency of space usage.

A brief example will help explain this type of computation and also show the usefulness of the ratio obtained. Imagine a store with the total area of 2,200 sq. ft., 2,000 of which is used for retail selling. If sales for the previous year were $120,000, the sales per square foot ratio would be $120,000 '/' 2,000 or $60 per square foot. Given the range which is normally expected in this type of organization ($90 to $180 per square foot), the $60 per square foot amount calculated would suggest that the floor space is not being used efficiently. Possible actions which could be taken to remedy this situation could include rearranging merchandise or altering the product mix carried. Check Statistics Canada Catalogue #61-522 Sales per selling area of Independent Retailers.

BUYING AN EXISTING OPERATION

Instead of setting up your own clothing store, another possibility to consider is the purchase of an existing store. If an existing operation is acquired, the purchase price would normally be negotiated to include all inventories, fixtures, etc. However, under this purchase option, it is especially critical that sufficient time and effort be made in assessing the operation in order to avoid making a poor decision which could have very adverse effects on future operations.

If you are considering purchasing an existing operation, there are a number of sources to refer to:

1. The Business Opportunity section of the newspaper. This is a good indication of opportunities available in the surrounding area.

2. Real Estate agents who deal in business opportunities.

3. Trade publications are an excellent source if you are looking for a specific type business.

4. Word of mouth can be effective especially if you are active in the area in which you hope to purchase your business.

Before making any decisions, carefully consider the following:

1. Find out why the business is being sold. Is it due to poor management, competition, or is the area deteriorating? Identifying the reasons for the sale may prevent you from making a poor investment.

2. Carefully audit the financial records for the last three years. Ensure that there are no unregistered liens against equipment, back taxes, or pending lawsuits.

3. Try to substantiate the sales volume in the records. Visit the operation to determine whether, in fact, the recorded sales volumes could be attained by the observed traffic.

4. Determine the value of the existing inventory. A physical count should be taken to establish a fair price taking into consideration its saleability, condition and style. As well, proper depreciation should be allowed for inventory items. Stock may have a certain book value, but if it cannot be sold, the inventory is worthless.

5. Determine what remodelling of the premises will be required before you can commence operations. You may wish to consult an interior designer.

STORE DESIGN AND LAYOUT

If first impressions are lasting, it follows that the windows or immediate interior displays are what customers will see and use for criteria by which to judge the store. This is especially true of new or potential customers rather than of an already loyal clientele.

Many outside downtown stores still rely heavily on their exterior window displays to capture the attention of passersby. On the otherhand, newer stores in the shopping malls are often without windows. Therefore, visual attention is centered on interior displays.

1. Window Displays:

It is essential that displays have an immediate impact on customers because it has been estimated that only 11 seconds are spent looking in a store window. The different types of windows used for display are important to know because some may be more effective than others in quickly linking the eye of the customer with the image and promotional pitch of the store.

A. straight front, closed: glass enclosed area from floor to ceiling in window area facing street or mall, which is closed off from interior of store, eg: Eaton's.

B. straight front, open: Glass enclosed area from ceiling to floor facing street or mall, which is open to the interior of the store, eg: The Metropolitan Store.

C. Shadow Box: small, enclosed windows, usually at eye level, that are appropriate for displaying items such as jewellry, cosmetics, scarves, shoes and handbags, eg: Ben Moss Jewellers.

D. Corner windows: windows that can be seen from 2 access points. This is an excellent display as goods can be seen from more than one direction thus, giving the store better exposure.

2. Interior Displays:

Interior displays are a form of advertising that attempt to reach the customer at the point of sale through the use of lifelike mannequins, fashion items that pulsate with color and texture, props, backgrounds and lighting that makes the merchandise even more appealing.

A. Island and aisle displays: Freestanding, low platforms which can be walked around are called island displays. Frequently they contain a theme or a lifestyle image. Usually mannequins are worked into the concept. Areas that are at the end of an aisle or in a corner or called aisle displays. However, they are similar in format to island displays.

B. Perimeter displays. This is the use of walls, ceilings or shelves to display merchandise. Special display fixtures can be mounted to display the items. This display format is quite good for small stores as it doesn't waste valuable floor space.

C. Counter and showcase displays: Glass topped counters, showcases and wall cases serve as both display units and stock keeping. This type of display is most commonly used for jewellry, cosmetics and accessories.

3. Complimentary Display Aids

These are design aids that are used to enhance your window or interior display.

A. Reprints and Posters: Copies of nationally advertised items that your store carries or copies of the store's ad can be placed in windows, on doors or near the cash register to make customers aware of your product.

B. Impulse items: Could be placed in baskets near the cash register to promote impulse buying. These items include:

C. Counter cards: Cardboard stands displayed on counters to attract attention to particular items.

D. Specialized Display Racks: A rack designed in a unique way to hold a selection of particular items. The rack arouses interest causing the customer to stop and look at the product.

E. Fixtures: No longer have to be utilitarian, now fixtures can be an attention grabber and a source of display. While new fixtures are always available, often used furnishings and display fixtures are available at a significantly less initial cost. Consideration should be given to custom versus ready-made fixtures as well as the time factor for delivery. As long as there is no detrimental effect on the overall image created, used fixtures are suitable.

F. Overhead canvasses and signs: When tastefully done, large signs and banners can create excitement within the store as well as extending a promotional message. Small signs on racks can be used to indicated sale areas or new arrivals.

In order to be successful, interior or window displays should meet one or more of the following objectives:

1. Present a select range of merchandise to convey an image.

2. Educate the customer about the new items available at your store.

3. Encourage customers to make impulse and multiple purchases.

4. Intensify the demand from customers for items that are in the introductory or early adoption stage of the life cycle.

5. Create a positive, lasting image of the store.

In designing the layout of your store, be sure that all the elements are carefully co-ordinated with the merchandise you are selling, but don't be afraid to use your imagination, for it is the unusual that people remember, the ordinary is usually quickly passed over and forgotten. The interior of your store should convey the atmosphere you wish to project. It should also help accent the merchandise and portray the image of a well-stocked store with an interior layout designed to encourage mobility throughout the premises. Such interior displays and layout techniques can't help but increase sales.

ADVERTISING AND PROMOTION

"What makes a customer choose your store over another store?" It is not exclusively the attraction of your merchandise. Often other stores offer identical items at identical prices. There are many reasons why customers choose your store. These include: service, the selling staff, store convenience, display of merchandise and above all, the faith people have in the store's integrity -- all work together to attract customers.

You must establish confidence when you present an advertisement to a potential customer. You must create the impression that the store knows its merchandise - extensively, thus leaving the customer with a positive character image of the store.

Advertising is used to create interest in your outlet as well as to inform the public of your existence. Consequently, up to 6% of your operating expense budget may well be spent on advertising as you try to reach your market initially. In later stages, the job of advertising will be to maintain a public image for your store and to advertise special sales being held. The advertising budget then should drop to approximately 3%. There are a number of media which can be used to reach your prospective market. Among the less expensive means are direct mail, newspapers and radio. The advantage of direct mail is that it is relatively low cost and through the purchase of mailing lists you can zero in on a specific market. There is a problem with having to constantly update the list as new market participants enter and old ones leave. But, direct mail does allow you to develop a high

degree of personalization in your messages. For example, letters directed to journal readers from the various clearing houses are often done through the use of computers. The text will be standard, but the letter of introduction will appear more personal, making for improved consumer acceptance. One problem in dealing with direct mailing is how much to pay for mailing lists initially in return for potential sales which they may generate. As your business grows, however, you will develop your own mailing list. Most printers in rural as well as urban centers will print the material to be sent and costs will be contingent upon the size of the letter and the number of illustrations and photographs included.

Newspapers are another method of reaching your target market. Types of newspapers can range from those with provincial exposure (such as the Winnipeg Free Press) to those with emphasis on local events (such as The Leader in Portage La Prairie). While newspaper advertising is more expensive, it is an excellent means of promoting special events in an attempt to draw more customers. The greatest disadvantage of newspapers is their very short life span, increasing the risk that readers may miss your ad. However, with most papers providing support in copy development and layout, your advertising dollar can still be very well spent.

The radio can be used to make direct contact with specific segments of your market. Each month, radio ratings are published along with audience characteristics. As a result, it becomes much easier to reach your specific target market, although at a higher cost. For example, a radio station with its accent on country, would be an excellent choice for the Western Clothing outlet. On the other hand, a youth-oriented establishment such as a Jeans Shop would reach its market more effectively through radio stations appealing to this market. Since every area of the province has radio service, all potential customers may be reached by this particular form of advertising.

There are a number of other promotional methods available to reach the customer. For example, the use of fashion shows at major shopping centres provides an excellent means of alerting customers to your offerings. In the rural areas, communities may be exposed to fashion goods through displays at

local high schools or halls. Promotions such as these are also excellent sources of information regarding your competitors, and will assist you in developing a competitive strategy.

To be sure that your advertising dollar is well spent, there are a number of points which you should consider. First, you must determine how much you have budgeted for advertising, and how many ads you can run by the means you have chosen. For example, if you have budgeted $1,200 for advertising for a quarter page, and a radio ad is $150 for a minute, you must decide which is the most effective way to reach your market given the limited number of dollars. You will find local papers and postal walks in local areas the most economical method of advertising.

As stated earlier, you will probably have to spend more in the initial stages. Therefore, determine how much you want to spend and fix some schedule for those disbursements.

The success of a store's advertising campaign is largely dependent upon the planning that takes place beforehand. First you must decide which approach you want your ad to focus upon.

A. Product advertisements - the promotion of specific merchandise. Much thought must be given to the selection of merchandise for an advertisement. Market segmentation, product benefits, factual data, popularity, pricing strategy, depth of stock, timeliness and availability of merchandise must all be considered.

B. Institutional advertisments - The focus of the advertisement stresses services or store image. When using this approach you must determine what your store image is and which of the qualities composing this image you wish to stress. Merchandise quality, pricing policies, services, employee attitude and store appearance are all factors that contribute to the store's total image.

Concentrate on a specific consumer group and carefully assess which media to use. Note that during the summer months, many people go camping or to resorts, and radios become their chief source of information. During the winter months, more people are at home and consequently the newspaper and direct mail become more effective means of promotion.

CUSTOMER SERVICE

The Service which you provide to your customers may attract customers, giving you an edge over the department stores and enticing them to return to your store.

A. Hours of operation - most clothing stores are open 60 - 72 hours per week. The evening and weekend hours will be the most productive in terms of sales.

B. Fashion Advice & Information - some stores offer fashion coordinating advice. This could occur in a variety of forms. when trying on an item, the sales clerk could suggest a variety of accessories to compliment the item. Displays could be used to show how colors and accessories produce a total fashion image. Posters, trade magazines and store leaflets could be made available to inform the customer about fashion directions.

C. Returns & Complaints - You must reasonably expect that there will be some complaints, so it is important to set a return policy before commencing operations. Policies vary, but some stores offer a return on goods within 7 - 10 days. Other stores only allow exchanges or credit.

D. Alterations - is it free or does the customer pay for the service.

FINANCING & CREDIT

It is likely that many of your customers will not choose to pay cash for their purchases. Extending credit is both a customer service and a means of generating more business.

A. Credit cards - You will have to pay credit card companies approximately 3 - 5% of the total sale for the privilege of utilizing their cards. However, since payment by credit card is the equivalent of a cash payment (you can deposit the slips directly into your bank account), it is certainly to your advantage to seek the right to accept payment by credit card.

B. Installment Credit or the "Lay away plan" - In this case the customers make a deposit towards the purchase of clothing. The store then holds the garments for the customer allowing him/her to make monthly payments towards the purchase of the garments.

PERSONNEL

A knowledgeable and personable sales staff are of key importance in the selling process. Your staff should try to develop an intimate, yet relaxed atmosphere when dealing with patrons. In addition to selling clothes, they should be fashion consultants and consequently should dress the part. No customer will accept the advice of sales people who do not look tastefully dressed themselves. Therefore, allow your personnel to purchase store merchandise at discount prices to help them project the right image. By developing your own staff's fashion awareness, you may also develop a good internal source of valuable suggestions. Their ideas, when coupled with customer suggestions, may help you to develop your merchandising policy and maintain a competitive edge.

Most hiring should be done on a referral basis and prospective employees must be carefully screened. All your employees should have at least a basic knowledge of customer psychology and selling techniques. There are many courses available throughout the province to assist you with staff development. Both Red River Community College in Winnipeg and Assiniboine Community College in Brandon offer courses for individuals who wish to sharpen their sales and "people" skills or be informed of new sales theories and techniques. Other courses are also held through government and private agencies. Check your daily newspaper for advertisements on these programs.

There are a number of different ways of compensating your staff. Straight hourly wages may be paid to your part-time help. Also, during the school year, many students are available. These students may be able to provide the sales service you require at a lower rate of pay; therefore, this source of employees should be carefully considered. A second means is to pay your personnel on straight commission basis. Under this method, wages are based on each individual's weekly sales. This compensation style should, in most instances, be avoided due to the increased competitive pressures this method generates. It does work well, however, with experienced staff in a busy environment. A third means of compensation is a combination of salary and commission. The staff is paid a set salary plus commission once sales exceed established individual quotas. This method works well with regular

staff to provide them with some incentive to increase sales. However, the sales quotas after which commissions are paid should not be too high or too low, for either situation will have unfavourable consequences.

INVENTORY SELECTION

The initial inventory requirements will depend on the type of store, the finances, the space available, and your own personal plans. These factors all should be considered in conjunction with the expected inventory turnover rate. Inventory turnover rate is defined as the number of times a store's inventory is sold and replaced within a given time period (usually one year). The slower the turnover rate, the more inventory will be required. A store whose inventory is expected to turn over only twice a year will require more inventory than one with a turn over rate of six. Many factors such as seasonality of the market and obsolescence can influence the turnover rate. A low turnover rate often indicates excess money tied up in slow moving or obsolete merchandise. Too high a turnover rate, however, can result in stock shortages (and related lost sales), as a workable balance must be kept between these extremes. According to a Dun & Bradstreet, the average turnover rate for men's apparel stores is 4.8, for women's 5.6, and shoe stores 3.6 - these rates will adjust to traffic trends and would change dependant on whether it is an urban or rural location.

Remember, through the life of your business, the key to success will be maintaining a proper inventory selection. You must meet the needs of your target market, not merely satisfy your own tastes. Keeping up with fashion trends is a time-consuming activity and requires working closely with suppliers and trade sources, as well as staff and customers. In developing your merchandise mix, choose certain items from a line -- not the entire line. This will provide you with more flexibility in your product offerings, and will help protect you from failure should any one line not sell. However, be sure that you provide enough depth to your merchandise by purchasing from various sources. This will help provide overall coordination and good selection.

INVENTORY SELECTION:

According to a survey conducted by the National Merchants Association, there are four major problems that arise when ordering stock for a retail clothing operation.

1. Unacceptable quality - (especially common in women's sportswear.) Common problems that arise are difference in dyelots between tops & bottoms, seam puckering along collar lapels and shoulder seams.

2. Late Shipments - this can result in lost sales and obsolete merchandise. To avoid this potential problem, review the supplier's previous shipping record and establish completion dates so that late deliveries can be refused. You may lose some sales, but in the long run you benefit as future deliveries begin arriving on time.

3. Receipt of Merchandise you did not order. It is important to establish with the salesman representing the manufacturer what degree of substitution of styles, colors and sizes you will accept. Establish a means for returning the merchandise (as well as who pays the freight both ways) and be sure you always keep a copy of your purchase order to check shipments received.

4. Partial or incomplete shipments. Often manufacturers will only ship parts of your order. It is important that you mark on your purchase order that the items must be shipped in groups (ie. Tops must always be accompanied with the matching bottoms). Again be sure you have a copy of the purchase order with which you can compare. As well, ensure that there is an established means of either cancelling the remaining order or receiving the remainder.

Initially, most suppliers may require cash payments until a credit rating has been established. Later, credit terms with cash discounts will likely be extended. The two important elements of a cash discount are the percentage reduction and the time period allowed for payment. also, in dealing with suppliers, you should be aware that most prices are quoted "F.O.B. shipping point". What this means is that you, as the retailer, will have to pay the cost of freight from the supplier's warehouse to your store. However, in many cases, freight allowances will be given once a regular relationship has been established with your suppliers.

As far as possible, try to limit the number of suppliers with whom you deal. By establishing close working relationships with your suppliers, you will often benefit from preferential levels of information and service.

Any local library should have a copy of the Manitoba Trade Directory, and your local Business Development Centre also can provide you with the required information on sources of supply.

Trade shows also can be useful input when selecting your inventory. Most suppliers exhibit their merchandise at trade shows prior to the start of a season. For example, winter fashions are generally shown in July, spring fashions in October, summer fashions in January, and fall fashions in April. Trade shows provide an excellent opportunity to meet new or additional sources of supply and to exchange ideas and information with other merchants.

INVENTORY CONTROL

An inventory control system records the flow of merchandise in and out of the store. It should provide you with the following information:

(i) the current dollar amount in inventory;

(ii) the quantity of merchandise sold each day;

(iii) which items are selling well and should be re-ordered;

(iv) which items are not selling, and should have their prices 'marked down'.

Inventory control systems must be tailored to a specific store's requirements for they depend on such factors as the store size, the merchandise handled, and the competitive environment. However, there are certain elements common to all control systems. They are designed to give you, the manager-owner, information concerning merchandise movement. The data provided will assist you in decisions regarding what to buy, as well as which merchandise lines to keep, and which to move out quickly through special sales and special discounts. Inventory controls should help

minimize out-of-stock items and keep investment in slow moving goods at a minimum. By careful analysis, you should be in a better position to determine the amount to keep on hand and on order to meet future sales demand.

The two major inventory control systems are the dollar-control and the unit methods. The dollar-control method is based on the selling price of merchandise. The major variables required are the determination of inventory value at retail prices and at cost.

Both cost and retail figures are needed since the underlying basis of the retail method of inventory evaluation is the percentage of markup for merchandise. The dollar-control method allows for quick determination of any store's operating results. As well, data which is used for planning can be quickly extrapolated so that the value of stock can be determined. To use this method effectively, it is strongly recommended that the recording system used be maintained daily. In other words, the onus is on you to keep your records accurate and up-to-date.

A second method which could be used in addition to the dollar-control method is the unit method. This is basically a means of validating results obtained with the dollar method. Control is maintained by keeping track of the units in stock. Consequently, physical counts are taken after the inventory has been divided into the various classifications. The quantity of each item is then identified according to size, fabric and color.

Another common means of keeping track of inventory is to ticket all merchandise as it comes in. As the items are sold, the tickets can be removed to provide you with useable information on sales and activity and trends.

SECURITY

Poor security can result in a great many problems, including theft (both internal and external), uncollectable credit card sales, excessive bad cheque losses, etc. The following are suggestions to help you keep these problems to a minimum:

1. Design your store so that the layout is amenable to security measures. For example, install mirrors to increase the vision of sales clerks, and encourage clerks to be aware of customer movements in the store.

2. Train employees to spot shoplifters, and give them specific procedures to follow when such an incident occurs.

3. Prosecute all shoplifters apprehended.

4. Keep expensive and pilferable items under physical restraint (such as locked glass cases for jewelry, racks with chains for expensive leather coats, etc.

5. Consider the use of tamper proof, electronic garment tags which will trigger an alarm if a garment is stolen.

6. When taking cheques, carefully examine all identification.

7. When taking credit cards, check the list of stolen cards, check customer signature, and get telephone authorization if necessary.

8. Check all employee work history when hiring to help keep internal theft at a minimum.

9. Work with your local police department and consult them whenever it is necessary.

FINANCIAL PLANNING

When small businesses fail, they often do so because their owners did not foresee that they would encounter difficult financial circumstances. Proper financial planning can make you aware of possible critical problems before they arise, so that you can take the appropriate action to avoid them. Small businesses often suffer from inadequate financing, and though financial planning may not alleviate that problem, it should enable the entrepreneur to realize the need for additional financing before a crisis arises.

A detailed outline of financial planning is contained in companion volumes in this series: "Small Business Finance Plan", "Service Business Plan", and the "Retail Business Plan". A new series has been developed entitled "Self-Evaluation Guides" at a cost of $10.00 for a set of 3 or $4.00 each. The purpose of this section is to underscore the importance of sound financial planning, by summarizing the basics of the process.

The steps of financial planning include:

1. determine the cost of premises, equipment and fixtures;
2. estimate all operating, direct (cost of materials, wages, etc.) and indirect (interest, rent, etc.) expenses;
3. estimate working capital or cash flow requirements, and the sales volume needed to meet those requirements;
4. prepare projected statements: cash flow, profit and loss, and balance sheet.

FINANCIAL RECORDS

Decisions made are only as good as the information upon which they are based. Proper records should be kept so that information about the financial status of the business is available. The information can tell you if any problems are being or are likely to be encountered. Problems such as a sales volume lower than forecast, delinquent accounts receivable, inventories not moving, or profit margins which are too low, may be brought to your attention. The constant monitoring of the business' financial situation can be achieved only if thorough records are kept. You, as a business, person, have to know if things are proceeding according to plan. If they are not, you can take remedial action before it is too late.

It is not difficult to maintain a simple record keeping system sufficient for the needs of most small businesses. The exact requirements vary, depending on the volume of business, the number of customers and suppliers, the number of employees, whether or not credit is allowed to customers, and so on. Some of the records you may need include:

1. cash receipts journal used to record all payments made to the business;
2. cash disbursements journal used to record all payments made by the business;
3. accounts receivable ledger used to keep a record of all amounts owed by customers;
4. general ledger, used to keep a record of all accounts on the balance sheet.

As well, you may need a sales journal (recording all sales made on credit), a purchases journal (recording inventory purchases made on credit), and accounts payable ledger (a summary of amounts owed to suppliers, etc.), and a payroll journal (to record wages paid). You should, of course, make all payments by cheque, not by cash, and maintain an accurate cheque book.

Remember that the system you use has to provide information that is useful to you in making decisions about the business. Having an accountant prepare annual statements (which you may have difficulty interpreting in a useful manner) is not enough. You have to understand the records system and the information that it provides for it to be a part of your financial planning process.

The information contained in your records can be thoroughly analyzed to provide more clues about what exactly is happening to your business. You can, for example, compare your financial status to that of other similar businesses. Various publications contain statistics on key financial ratios for a wide range of retail businesses. These ratios include, for example, current assets to current liabilities, gross profit to sales, net profit to sales, and so on. A profit and loss statement for the average retailers, expressed in ratio form, is shown in Appendix I. Comparing your statement to the sample could point out possible problems. If, for example, your gross profit is only 20% (vs 35.5%), it may mean that your prices are too low. It should be remembered, of course, that the ratios in Table 1 are for the average business and there are wide variations depending on the type of business you are in.

You are required by law to provide statements to the taxation authorities, but a more important purpose of keeping financial records is to enable you to monitor the progress of your business.

PRICING

A short note on pricing may be relevant at this point. Pricing your goods properly is an integral element of your planning, both financial and marketing. A discussion of pricing policy is contained in another volume of this

series entitled "Marketing". It is worthwhile, however, to explain briefly the mechanics of pricing in the context of general financial planning.

Your retail price should allow sufficient gross profit (the difference between the price of your item and the cost of your item) to cover your overhead expense (heat, light, taxes, insurance etc.) and a reasonable net profit.

There are two methods to determine the difference between your selling price and your cost price. Both methods should lead to the same result. Method one, mark up, is based on your cost; and method two, margin, is based on your selling price. Examples showing an entrepreneur setting a $30 price for an item that costs $20 are presented below:

$$\text{METHOD 1 - MARK UP} = \frac{\text{Selling Price - Cost Price}}{\text{Cost Price}} = \frac{\$30 - \$20}{\$20} = 50\% \text{ MARK UP}$$

$$\text{METHOD 2 - MARGIN} = \frac{\text{Selling Price - Cost Price}}{\text{Selling Price}} = \frac{\$30 - \$20}{\$30} = 33\% \text{ MARGIN}$$

Although the methods above show different percentages, the amount of gross profit in each case is the same ($10). Traditionally retail clothing stores have had mark ups of approximately 43 - 67% or margins of 30 - 40%.

The most important aspect is that you choose one method to calculate your price and that you understand how the parts of it are used.

SUMMARY

Planning will not ensure the success of your enterprise, but it certainly will improve your chances. Remember too, that if your analysis predicts that the business will not be profitable, then do not ignore that analysis and plunge ahead. Do not take starting the business as a foregone conclusion. Financial planning is one part of your business plan, the elements of which bear repeating. The time you take before starting your business and then while it is underway to plan and to monitor those plans could be your most important investment. Failure to do so would be to start off down the highway without a road map, not knowing how to get where you want to go.

1. State your goals and objectives;

2. Determine the potential market for your products;

3. Evaluate the location (new or existing);

4. Decide on the store interior and exterior layout;

5. List sources of supply, terms, and and inventory of requirements;

6. Provide for handling incoming merchandise (receiving, checking, marking, and the movement of goods);

7. Decide upon a general pricing policy and pricing strategy to be used to stimulate profitable sales volume;

8. Outline your promotional policies and strategies;

9. Develop management policies and practices for handling store personnel;

10. Conduct a complete financial analysis of the business:

    - Determine capital cost expenditure,
    - Determine operating costs,
    - Develop financial information for sourcing of funds and control;

11. Establish an expense control system (accounting procedures).

If you would like to discuss your proposal or have questions on establishing a business, feel free to call the Centre and arrange to meet with one of the counsellors.

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Western Regional Office
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APPENDIX I

Analysis of Sales by Kind of Business & Region

TABLE A. Analysis of Sales Per Selling Area by Kind of Business and Region, Ranked by Sales Per Square Foot of Selling Area -

TABLEAU A. Analyse des ventes selon la superficie de vente d'apres le genre de commerce et la region - Classement d'apres les ventes par pied carre de superficie de vente - suite

Region, Quartiles and Weighted Averages / Region, Quartiles et moyennes ponderees	Sales - Ventes: Lower Quartile Values / Valeur minimum du quartile		Average Annual Sales / Ventes annuelles moyennes	Selling Area Average / Superficie moyenne de vente		Type of Store Location / Genre d'emplacement				
	Square Foot / Pieds carres	Square Metre / Metres carres	$ 000'S	Square Feet / Pieds carres	Square Metres / Metres carres	On Street / Sur rue	Shopping Centre: Neighbourhood / de quartier	Shopping Centre: Community / Communautaire	Shopping Centre: Regional / Regional	Centre Commercial: Indoor Mall / Mail interieur
	$	$				%	%	%	%	%
Women's Ready-to-Wear Store Magasins de pret-a-porter pour dames										
British Columbia / Colombie-Britannique										
Top 25% Superieur 25%	307	3,305	383	1,074	99	73	-	13	-	14
Upper Middle 25% Intermediaire superieur 25%	158	1,701	244	1,161	107	53	12	12	-	13
Lower Middle 25% Intermediaire inferieur 25%	107	1,152	126	1,061	98	43	34	11	11	-
Bottom 25% Inferieur 25%			115	1,589	155	100	-	-	-	-
Average Moyenne			212	1,253	115	70	12	9	3	6
Children's and Infant's Wear Stores Vetements pour enfants et bebes										
Canada										
Top 25% Superieur 25%	241	2,594	146	385	34	99	-	-	-	-
Upper Middle 25% Intermediaire superieur 25%	153	1,647	241	1,259	117	81	19	-	-	-
Lower Middle 25% Intermediaire inferieur 25%	118	1,270	95	887	83	78	-	10	12	-
Bottom 25% Inferieur 25%			59	1,001	92	100	-	-	-	-
Average Moyenne			131	831	76	90	4	2	3	-
Family Clothing & Furnishings Stores Vetements pour la famille et ameublement										
Canada										
Top 25% Superieur 25%	198	2,131	330	1,112	102	81	9	3	7	-
Upper Middle 25% Intermediaire superieur 25%	114	1,227	203	1,442	133	89	4	2	03	3
Lower Middle 25% Intermediaire inferieur 25%	79	850	156	1,587	153	87	2	-	-	11
Bottom 25% Inferieur 25%			94	1,722	158	98	2	-	-	-
Average Moyenne			195	1,487	137	84	4	1	7	4

See Appendix IV for sample counts. Voir l'annexe IV pour les chiffres de l'echantillon.

SOURCE: Retail Selling Area Survey, Small Business Statistics, Statistics Canada
SOURCE: Enquete sur la superficie de vente au detail, Statistiques sur les petites entreprises, Statistique Canada

APPENDIX II_ table 1.

Selected Operating Ratios for Mens Clothing Stores - in % of sales
SIC 6121

Selected expense item	Industry average 2					% business reporting	Reporting businesses only 3				
	Total	Bottom 25%	Lower middle 25%	Upper middle 25%	Top 25%		Total	Bottom 25%	Lower middle 25%	Upper middle 25%	Top 25%
	Percent of sales						Percent of sales				
Cost of sales	54.3	--	--	--	--	89.8	60.4	--	--	--	--
Occupancy expenses	8.5	--	--	--	--	100.0	8.5	--	--	--	--
Depreciation	[illegible]	--	--	--	--	94.[illegible]	[illegible]	--	--	--	--
Repairs & maintenance	0.9	--	--	--	--	87.5	[illegible]	--	--	--	--
Heat, light & telephone	[illegible]	--	--	--	--	75.5	[illegible]	--	--	--	--
Rent	5.0	--	--	--	--	59.7	[illegible]	--	--	--	--
Personnel expenses	17.7	--	--	--	--	100.0	17.7	--	--	--	--
Financial expenses	3.8	--	--	--	--	91.6	4.3	--	--	--	--
Interest & bank charges	2.9	--	--	--	--	70.4	4.[illegible]	--	--	--	--
Professional fees	[illegible].0	--	--	--	--	85.2	[illegible].2	--	--	--	--
Other expenses	14.7	--	--	--	--	100.0	14.7	--	--	--	--
Profit (loss)	0.9	--	--	--	--	100.0	0.9	--	--	--	--
Total	100.0	--	--	--	--	100.0	...	--	--	--	--

Symbols
- zero or no observations
-- too small too be expressed
not applicable
x confidential

Footnotes
(1) These estimates are based on a sample of businesses reporting sales between $25,000 and $1,000,000

(2) Value in each cell = $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of all businesses in the sample}} \times 100$ for each quartile.

(3) Value in each cell = $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of businesses reporting this item of expenditure}} \times 100$ for each quartile

This portion of the table pertains only to the businesses reporting the specific expense item. Therefore these ratios are calculated individually and the total will not necessarily equal 100%.

Notes
Data are shown by quartiles when at least 13 of the sampled businesses report the specific item.

Records were ranked in ascending order according to sales size. Each quartile (i.e. bottom 25%, lower middle 25%, etc.) represents one quarter of the total number of businesses. Within each quartile, the average ratio is presented. For comparison purposes, the high and low values of sales are shown.

How to use the tables
(1) Locate the appropriate sales range that is displayed on the two lines entitled "Low sales value" and "High sales value".
(2) The selected range will indicate the proper quartile, i.e. the bottom 25%, the lower middle 25%, the upper middle 25% or the top 25%.
(3) Data pertaining to the selected sales size range will be in that quartile.

Standard Industrial Classification Definition (SIC 1980):

SIC 6121 - Men's Clothing Stores
Businesses primarily engaged in retail dealing in men's and boys' clothing (except athletic) and accessories. Businesses primarily engaged in custom tailoring are included here. Businesses engaged in retail men's and boys' apparel, retail men's and boys' beachwear, retail men's and boys' clothing, men's custom tailored clothing, men's retail gloves, haberdashery, retail men's and boys' hats and caps, retail men's and boys' hosiery, retail men's and boys' jackets, retail men's and boys' neckwear, men's clothing stores, retail men's furnishings, retail men's and boys' overcoats, retail men's and boys' pants and slacks, retail men's and boys' shirts, retail men's and boys' sleep and loungewear, retail men's and boys' sportswear, retail men's and boys' suits, retail men's and boys' sweaters, retail men's and boys' swimwear, retail men's and boys' underclothing, retail men's and boys' uniforms (except athletic) and retail men's and boys clothing are included in this industry.

SOURCE: Small Business and Special Surveys Division, Statistics Canada

TABLE 2. Balance sheet profile for incorporated businesses only, 1987

Manitoba, Men's Clothing Stores (SIC 6121)

	Total(1)	Bottom 25%	Lower middle 25%	Upper middle 25%	Top 25%
Businesses in sample (No.)	20				
Low sales value ($000's)	(1)	--	--	--	--
High sales value ($000's)	(1)	--	--	--	--
			Average $000's		
Assets					
Cash	-	--	--	--	--
Accounts and notes receivable	13	--	--	--	--
Inventory	-	--	--	--	--
Other current assets	138	--	--	--	--
Total current assets	151	--	--	--	--
Fixed assets	31	--	--	--	--
Less: Accum. dep. on fixed assets	-	--	--	--	--
Other assets	26	--	--	--	--
Total assets	209	--	--	--	--
Liabilities and equity					
Current loans	21	--	--	--	--
Other current liabilities	64	--	--	--	--
Total current liabilities	85	--	--	--	--
Mortgages payable	-	--	--	--	--
Long term debt	3	--	--	--	--
Other liabilities	47	--	--	--	--
Total liabilities	135	--	--	--	--
Total equity	74	--	--	--	--

(1) These estimates are based on a sample of businesses reporting sales between $25,000 and $2,000,000.

See Table 1 for symbols and notes.

TABLE 3. Financial ratios(1) for incorporated businesses only, 1987

Manitoba, Men's Clothing Stores (SIC 6121)

	Total(2)	Bottom 25%	Lower middle 25%	Upper middle 25%	Top 25%
Businesses in sample (No.)	20				
Low sales value ($000's)	(1)	--	--	--	--
High sales value ($000's)	(1)	--	--	--	--
			Average		
Liquidity ratio					
Current ratio (times)	1.8	--	--	--	--
Leverage ratios					
Debt/equity ratio (times)	1.8	--	--	--	--
Interest coverage ratio (times)	2.2	--	--	--	--
Debt ratio (times)	0.6	--	--	--	--

(1) The ratios represent the average of ratios for each business in the group and cannot be calculated from the figures shown in Table 2.

(2) These estimates are based on a sample of businesses reporting sales between $25,000 and $2,000,000.

See Table 1 for symbols and notes.

Definitions:

1. Liquidity ratio:

   Current = current assets / current liabilities.

2. Leverage ratios:

   a) Debt/equity = total liabilities / equity.
   b) Debt ratio = total liabilities / total assets.
   c) Interest coverage = net profit + interest expense / interest expense.

SOURCE: Small Business and Special Surveys Division, Statistics Canada

TABLE 4. Statement of changes in financial position for incorporated businesses only, 1987

Manitoba, Men's Clothing Stores (SIC 6121)

	Total (1)	Bottom 25%	Lower middle 25%	Upper middle 25%	Top 25%
Businesses in sample - No.	17				
Low sales value - $000's	1	--	--	--	--
High sales value - $000's	1	--	--	--	--
			Average $000's		
Operating activities					
Cash from operations	14	--	--	--	--
Depreciation	3	--	--	--	--
Other	-6	--	--	--	--
Dividends	-6	--	--	--	--
Investment activities					
Disposal of fixed assets	1	--	--	--	--
Purchase of fixed assets	-4	--	--	--	--
Increase in investment	-1	--	--	--	--
Decrease in investment	-	--	--	--	--
Financing activities					
Increase in long term debt	-	--	--	--	--
Repayment of long term debt	-3	--	--	--	--
Loans from shareholders	6	--	--	--	--
Repayment of loans from shareholders	-8	--	--	--	--
Advances & loans from government	-	--	--	--	--
Increase in equity	-	--	--	--	--
Decrease in equity	-	--	--	--	--
Other	-1	--	--	--	--
Increase(decrease) in cash & equivalents	-5	--	--	--	--
Cash & equivalents-Beginning of the year	12	--	--	--	--
Cash & equivalents - End of the year	7	--	--	--	--

(1) These estimates are based on a sample of incorporated businesses reporting sales between $25,000 and $2,000,000. Sample count includes only those businesses reporting a statement of changes.
See Table 1 for symbols and notes.

TABLE 5. Employment changes by size of business, 1984-1987 based on SIC classification in 1987

Manitoba, Men's Clothing Stores (SIC 6121)

Business size expressed in average labour units(1)	Number of businesses	Total payroll ($000's)	Average labour units(1)	Changes in number of businesses with paid employees: Newly reporting(2)	Changes in number of businesses with paid employees: No longer reporting(3)
1984					
Total	80	6,529	821	9	4
less than 20	71	3,075	293	8	3
20 - 99	5	1,168	111	1	-
100 - 499	3	X	32	-	1
500 and over	1	X	185	-	-
1987					
Total	74	8,841	644	8	...
less than 20	65	3,139	229	7	...
20 - 99	3	977	71	-	...
100 - 499	2	X	38	1	...
500 and over	4	X	306	-	...

(1) Average labour units are calculated by dividing total payroll by the average annual wage and salary rate as reported in the *Survey of Employment, Payroll and Hours*, Statistics Canada, Catalogue 72-002. An average labour unit could be interpreted as a full-time employee. Note that the business size groups used are determined at the Canada level. Thus if a business has at least 500 employees in Canada as a whole but less than that number in any given province it is shown in the 500 and over group.
(2) Refers to businesses reporting no payroll deductions in the previous year.
(3) Refers to businesses reporting no payroll deductions in the following year.

"Newly reporting" and "no longer reporting" businesses are assumed to have been in activity for six months and the information is adjusted accordingly.

See Table 1 for symbols and notes.

SOURCE: Small Business and Special Surveys Division, Statistics Canada

TABLE 6. Selected operating characteristics of small businesses by sales quartile, 1985-1987

Manitoba, Men's Clothing Stores (SIC 6121)

	Total (1)	Bottom 25%	Lower middle 25%	Upper middle 25%	Top 25%
			1985		
Number of observations in sample	15				
Average sales $	146.333	--	--	--	--
Average expense $	141.852	--	--	--	--
Average net profit (loss) $	4.481	--	--	--	--
Businesses reporting a profit (No.)	11				
Average sales $	155.242	--	--	--	--
Average expense $	138.533	--	--	--	--
Average net profit $	16.709	--	--	--	--
Businesses reporting a loss (No.)	4				
Average sales $	89.702	--	--	--	--
Average expense $	98.211	--	--	--	--
Average net loss $	-8.509	--	--	--	--
			1986		
Number of observations in sample	12				
Average sales $	573.826	--	--	--	--
Average expense $	536.500	--	--	--	--
Average net profit (loss) $	37.326	--	--	--	--
Businesses reporting a profit (No.)	9				
Average sales $	575.925	--	--	--	--
Average expense $	535.807	--	--	--	--
Average net profit $	40.118	--	--	--	--
Businesses reporting a loss (No.)	3				
Average sales $	62.726	--	--	--	--
Average expense $	81.963	--	--	--	--
Average net loss $	-19.237	--	--	--	--
			1987		
Number of observations in sample	27				
Average sales $	281.658	--	--	--	--
Average expense $	269.832	--	--	--	--
Average net profit (loss) $	11.826	--	--	--	--
Businesses reporting a profit (No.)	19				
Average sales $	353.948	--	--	--	--
Average expense $	315.100	--	--	--	--
Average net profit $	38.848	--	--	--	--
Businesses reporting a loss (No.)	8				
Average sales $	303.709	--	--	--	--
Average expense $	320.199	--	--	--	--
Average net loss $	-16.490	--	--	--	--

(1) These estimates are based on a sample of businesses reporting sales between $25,000 and $2,000,000.

See Table 1 for symbols and notes

SOURCE: Small Business and Special Surveys Division, Statistics Canada.

APPENDIX III

Retail Sales by Province, Economic Region & Census Division

Retail Sales, 1990

(1) By Province, Economic Region and Census Division

	Total Sales		Food Stores		Motor Vehicle Dealers		Service Stations		Clothing & Shoe Stores		Hardware Stores		Furniture, Appliances, TV & Radio	
	($M) Sales	% of Cdn Total	($M) Sales	% of Cdn Total	($M) Sales	% of Cdn Total	($M) Sales	% of Cdn Total	($M) Sales	% of Cdn Total	($M) Sales	% of Cdn Total	($M) Sales	% of Cdn Total
MANITOBA	6,766.5	3.59	1,817.2	4.07	1,371.9	3.24	604.6	4.17	317.9	3.07	82.7	3.02	177.5	3.50
Southeastern Manitoba	399.9	0.21	109.6	0.25	105.2	0.25	42.2	0.29	17.1	0.17	5.7	0.27	9.8	0.19
Division No. 1	93.5	0.05	23.3	0.05	24.3	0.06	9.1	0.06	3.3	0.03	1.7	0.08	2.1	0.04
Division No. 2	209.1	0.11	59.1	0.13	55.3	0.13	22.8	0.16	9.3	0.09	3.0	0.15	4.9	0.10
Division No. 12	97.3	0.05	27.2	0.06	25.6	0.06	10.3	0.07	4.5	0.04	1.0	0.05	2.7	0.05
South Central Manitoba	255.5	0.14	68.0	0.15	68.3	0.16	27.7	0.19	9.7	0.09	4.8	0.23	5.2	0.10
Division No. 3	195.4	0.10	52.8	0.12	54.2	0.13	21.5	0.15	7.3	0.07	3.7	0.18	4.0	0.08
Division No. 4	60.2	0.03	15.2	0.03	14.1	0.03	6.2	0.04	2.5	0.02	1.1	0.05	1.2	0.02
Southwestern Manitoba	630.1	0.33	147.9	0.33	139.5	0.33	55.7	0.38	23.6	0.23	11.1	0.53	12.7	0.25
Division No. 5	88.4	0.05	21.9	0.05	20.6	0.05	8.7	0.06	3.5	0.03	1.8	0.08	1.9	0.04
Division No. 6	59.3	0.03	15.0	0.03	12.9	0.03	5.9	0.04	2.3	0.02	1.1	0.05	1.3	0.03
Division No. 7	357.1	0.19	78.9	0.18	75.5	0.18	28.0	0.19	12.9	0.12	6.0	0.29	6.8	0.13
Division No. 15	125.3	0.07	32.0	0.07	30.5	0.07	13.1	0.09	4.9	0.05	2.3	0.11	2.7	0.05
North Central Manitoba	232.1	0.12	55.7	0.12	53.2	0.13	21.9	0.15	8.9	0.09	4.3	0.21	4.9	0.10
Division No. 8	59.3	0.03	14.9	0.03	15.6	0.04	6.1	0.04	2.4	0.02	1.1	0.05	1.3	0.03
Division No. 9	131.1	0.07	31.2	0.07	29.1	0.07	11.7	0.08	4.9	0.05	2.4	0.12	2.7	0.05
Division No. 10	41.7	0.02	9.6	0.02	8.6	0.02	4.1	0.03	1.6	0.02	0.7	0.04	0.9	0.02
Winnipeg	4,231.5	2.25	1,187.3	2.66	759.2	1.80	361.0	2.49	219.8	2.12	19.3	0.93	121.9	2.40
Division No. 11	4,231.5	2.25	1,187.3	2.66	759.2	1.80	361.0	2.49	219.8	2.12	19.3	0.93	121.9	2.40
Interlake	412.5	0.22	98.7	0.22	101.8	0.24	40.4	0.28	16.3	0.16	6.6	0.32	9.1	0.18
Division No. 13	221.9	0.12	51.7	0.12	50.6	0.12	21.0	0.15	8.8	0.08	3.1	0.15	4.7	0.09
Division No. 14	85.6	0.05	20.2	0.05	20.6	0.05	8.7	0.06	3.4	0.03	1.4	0.07	1.9	0.04
Division No. 18	105.0	0.06	26.8	0.06	30.6	0.07	10.8	0.07	4.2	0.04	2.0	0.10	2.5	0.05
Parkland	244.7	0.13	60.6	0.14	66.0	0.16	24.9	0.17	9.4	0.09	4.6	0.22	5.5	0.11
Division No. 16	49.2	0.03	12.3	0.03	14.6	0.03	5.0	0.03	1.9	0.02	0.9	0.05	1.1	0.02
Division No. 17	135.8	0.07	33.6	0.08	34.9	0.08	13.9	0.10	5.1	0.05	2.6	0.12	3.0	0.06
Division No. 20	59.7	0.03	14.6	0.03	16.5	0.04	6.0	0.04	2.3	0.02	1.1	0.05	1.3	0.03
Northern Manitoba	380.2	0.19	89.5	0.20	78.6	0.19	30.8	0.21	13.1	0.13	6.4	0.31	8.4	0.17
Division No. 19	21.6	0.01	7.1	0.02	4.9	0.01	2.2	0.02	0.9	0.01	0.4	0.02	0.8	0.02
Division No. 21	142.4	0.08	34.0	0.08	28.3	0.07	12.8	0.09	5.2	0.05	2.5	0.12	2.8	0.06
Division No. 22	143.0	0.08	35.7	0.08	32.8	0.08	11.9	0.08	5.0	0.05	2.4	0.12	3.3	0.07
Division No. 23	53.2	0.03	12.7	0.03	12.6	0.03	4.0	0.03	2.0	0.02	1.0	0.05	1.5	0.03

Retail Sales, 1990

(2) By Province and Census Metropolitan Area, Census Agglomeration

	Total Sales		Food Stores		Motor Vehicle Dealers		Service Stations		Clothing & Shoe Stores		Hardware Stores		Furniture, Appliances, TV & Radio	
	($M) Sales	% of Cdn Total	($M) Sales	% of Cdn Total	($M) Sales	% of Cdn Total	($M) Sales	% of Cdn Total	($M) Sales	% of Cdn Total	($M) Sales	% of Cdn Total	($M) Sales	% of Cdn Total
MANITOBA	6,766.5	3.59	1,817.2	4.07	1,371.9	3.24	604.6	4.17	317.9	3.07	82.7	3.02	177.5	3.50
Brandon*	262.8	0.13	54.3	0.12	50.3	0.12	17.9	0.12	8.8	0.09	4.1	0.20	4.5	0.09
Flin Flon*	65.2	0.03	15.0	0.03	13.3	0.03	6.0	0.04	2.5	0.02	1.1	0.05	1.2	0.02
Portage la Prairie*	82.5	0.04	19.6	0.04	16.5	0.04	7.0	0.05	2.9	0.03	1.5	0.07	1.6	0.03
Selkirk*	62.3	0.03	14.5	0.03	14.4	0.03	5.5	0.04	2.3	0.02	1.1	0.05	1.2	0.02
Thompson*	105.4	0.06	23.1	0.05	23.2	0.05	7.8	0.05	3.3	0.03	1.8	0.08	2.7	0.05
Winnipeg**	4,425.9	2.35	1,244.4	2.79	808.5	1.91	381.6	2.63	229.9	2.22	20.3	0.98	127.7	2.52

APPENDIX IV

Summary of Selective Family Expenditure by Region and Province

All Families and Unattached Individuals

		Region and province - Région et la province											
		Ontario		Prairie provinces / Provinces des Prairies		Manitoba		Saskatchewan		Alberta		British Columbia / Colombie-Britannique	
		Av. per fam. / Moy par fam.	% rptg. / % décl.	Av. per fam. / Moy par fam.	% rptg. / % décl.	Av. per fam. / Moy par fam.	% rptg. / % décl.	Av. per fam. / Moy par fam.	% rptg. / % décl.	Av. per fam. / Moy. par fam.	% rptg. / % décl.	Av. per fam. / Moy par fam.	% rptg. / % décl.
2500-2879	**Clothing**	**2410**	**99.8**	**2171**	**99.7**	**1913**	**99.9**	**2103**	**99.7**	**2316**	**100.0**	**1897**	**99.8**
2500-2583	Women's wear (14 years & over)	1207	88.5	1079	88.3	933	87.6	1033	88.0	1165	88.8	929	84.3
2590-2663	Girl's wear (4-13 years)	92	14.8	102	16.8	85	14.2	101	17.8	111	17.2	78	14.7
2670-2753	Man's wear (14 years & over)	749	80.3	673	79.8	586	78.2	692	78.5	699	81.0	605	79.8
2760-2813	Boy's wear (4-13 years)	82	16.8	87	17.8	84	17.1	87	17.8	87	18.1	65	15.0
2820-2850	Infants' wear (under 4 years)	35	12.4	37	14.8	32	14.3	33	12.7	41	15.9	22	11.1
2860-2879	Clothing material, notions & services	244	94.5	193	91.1	183	91.8	157	88.0	213	92.1	200	92.6
2870-2879	Clothing services	186	89.9	132	85.0	127	85.0	99	80.3	149	87.0	133	86.6
2872-2874	Laundry & dry-cleaning	147	85.1	100	80.3	98	81.9	75	75.9	113	81.5	102	82.5

TABLE 5. Summary and Selective Detailed Family Expenditure by City, Canada, 1986 - Continued

All Families and Unattached Individuals

		Prairie Provinces - Provinces des Prairies											
		Winnipeg		Regina		Saskatoon		Calgary		Edmonton		Other cities 30 000 + / Autres villes de 30 000 +	
		Av per fam / Moy par fam	% rptg / % décl	Av per fam / Moy par fam	% rptg / % décl	Av per fam / Moy par fam	% rptg / % décl	Av per fam / Moy par fam	% rptg / % décl	Av per fam / Moy par fam	% rptg / % décl	Av per fam / Moy par fam	% rptg / % décl
2500-2879	**Clothing**	**1950**	**98.9**	**2348**	**99.7**	**2056**	**99.4**	**2371**	**100.0**	**2378**	**100.0**	**2274**	**99.6**
2500-2583	Women's wear (14 years & over)	966	85.9	1173	84.1	1126	87.8	1208	84.2	1236	87.4	1142	86.7
2590-2663	Girl's wear (4-13 years)	82	13.9	109	17.4	83	14.6	91	14.5	99	15.6	110	16.2
2670-2753	Man's wear (14 years & over)	620	76.7	743	78.6	571	70.2	726	81.4	678	78.1	709	78.9
2760-2813	Boy's wear (4-13 years)	61	14.0	87	18.4	46	11.9	78	17.2	76	15.7	75	14.7
2820-2850	Infants' wear (under 4 years)	28	12.9	24	13.6	34	12.4	33	12.3	43	14.9	40	12.5
2860-2879	Clothing material, notions & services	193	93.0	212	95.2	189	93.2	236	93.6	246	93.7	197	90.5
2870-2879	Clothing services	140	89.2	158	91.9	143	89.9	168	89.9	180	91.7	144	86.7
2872-2874	Laundry & dry-cleaning	109	85.7	113	86.0	112	86.3	126	85.2	136	86.8	113	83.4

APPENDIX V

Trade Publications

Fashion Magazine
59 Front Street East
Toronto, Ontario
M5E 9Z9 - 8 times per year ($11.95)

Style Fashion News
Ste. 300 - 85 Scarsdale Road
Don Mills, Ontario
M3B 2R2 - 1 year subscription $25.00

High School Trend
Trend Publications Ltd.
10022 - 103 Street
Edmonton, Alberta
T5J 0X2 - 1 year subscription $10.00

Men's Wear of Canada
Page Publishing Company
501 Oakdale Road
Downsview, Ontario
M3N 1W7
Phone: (416) 746-7360

Manitoba Chapter
Retail Merchants Association
2 Lombard Place
Winnipeg, Manitoba
R3B 0X3
Phone: 943-2751 John O'Hanlin

Professional Organizations

Manitoba Fashion Institute Inc.
Rm. 210 - 435 Ellice Avenue
Winnipeg, Manitoba
R3B 1Y6
Phone: 942-7314